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June 3, 2005

Mr. Tom Bannigan
President, Products Pipelines
Kinder Morgan Energy Partners
500 Dallas Street, Ste. 1000
Houston, TX 77002

Dear Mr. Bannigan:

As you know, this past weekend Arizona's gasoline supply was once again placed in jeopardy when a Kinder Morgan pipeline ruptured in Texas.

The rupture of the Kinder Morgan Eastern line 14 miles west of El Paso forced a two-day shutdown of the pipeline that supplies 83 percent of Tucson's gasoline. Thankfully, no one in Texas was injured as a result of the rupture and Tucsonans were not forced to endure a shortage of gasoline. However, I believe the break and resulting disruption of supply to Tucson raise several serious questions.

First, please tell the Corporation Commission whether the segment involved in this rupture is scheduled to be replaced as part of Phase I of Kinder Morgan's planned expansion of the Eastern line. If it is not, please state the company's reasons for not replacing the section given the recent rupture.

Second, please detail for the Commission Kinder Morgan's plan for determining the cause of the rupture and whether the cause will be determined by an independent laboratory, as it was in the case of the 2003 rupture on the 8-inch line in Tucson.

Third, as you know, Kinder Morgan's terminal in Tucson came close to running out of conventional and premium gasoline during the shutdown of the Eastern line last weekend. I understand the company was in contact with the other terminal operators in Tucson—ST and Chevron—to determine whether a gasoline transfer or sharing agreement could be reached in the event that Kinder Morgan's terminals ran short. Can you tell me whether such an agreement was reached, and whether contingency plans for such agreements should be explored now, in advance of any future shutdowns of the Eastern line?

Finally, the federal Office of Pipeline Safety authorized a re-start of the pipeline at 80 percent pressure – a 20 percent reduction. How is this curtailment affecting supplies currently

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and can it be made up through deliveries by truck and on the 6-inch pipeline between Phoenix and Tucson?

I appreciate Kinder Morgan's efforts to swiftly and safely repair the rupture in Texas and to restore the flow of gasoline into the City of Tucson. However, the rupture again highlights the problems inherent with a 55-year old pipeline, and the need to begin systematically replacing it with new, reliable pipe. I look forward to discussing these and other issues with you during our meeting on June 16.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kris Mayes", written in a cursive style.

Kris Mayes
Commissioner

cc: Chairman Jeff Hatch-Miller
Commissioner Marc Spitzer
Commissioner Bill Mundell
Commissioner Mike Gleason
Brian McNeil
Alan Bohnenkamp
Bob Walkup, Mayor of Tucson